

## ADES Response to the Scottish Parliament's Scrutiny of the Draft Budget 2015/16 Call for Written Evidence

### Questions

- Given recent trends in local authorities' spending on schools, what are likely to be the main pressures on education budgets in financial year 2015-16? Will there be any impacts on pupils and families; attainment; teacher numbers; the length and scheduling of the school week; teachers' terms and conditions; developing and strengthening links between schools, colleges and employers; etc?

Education services will require to make significant further savings over the coming years of the order of several percent of current spend:

*"In 2012/13, councils spent £4.8 billion on education services, of which £3.8 billion was spent on primary and secondary education. Two-thirds of this expenditure (68 per cent) was on staff costs. Councils' spending on education reduced by five per cent in real terms between 2010/11 and 2012/13, largely as a result of employing fewer staff."* Accounts Commission – School Education Report 2014

It is important to recognise the context of reductions in council budgets with the consequential impact on education over a number of years.

Councils have strived to protect education services within this challenging context and it is expected that they will continue to do this insofar as they are able, and in the context of the agreement with Scottish Government to maintain pupil/teacher ratios. This does not preclude some reductions in teaching staff numbers in particular circumstances e.g. reducing pupil numbers or school reorganisation. As the largest part of the council's spend, 'protecting' education is not viable.

Since staffing constitutes over two thirds of the schools budget (with teacher staffing at about 60%), the pressure of reductions on the remaining third of the budget is effectively tripled.

The remaining third of the budget is predominantly statutory or essential e.g. maintenance and upkeep of school buildings/PFI/PPP/SFT contracts; school transport; school meals; psychological services; quality improvement etc such that, true discretionary spend is a very small part of the education budget e.g. music services; sports and leisure; arts and culture etc. Considering the gearing effect referred to above, it is difficult to see how the impact of further savings will not be direct and significant, affecting directly the experience of 1) frontline staff delivering services; 2) frontline service delivery itself; and 3) at least some children, parents and families.

Councils will continue to protect teacher numbers, as the central issue in the agreement with Scottish Government, but there is virtually no scope for savings from alterations to teachers' terms and conditions in the short term beyond fully utilising agreed flexibilities e.g. the aggregation of non-contact time; more efficient timetabling; sharing resources and provision across schools.

With the regulatory framework that governs education including class sizes, inspection and prescribed standards of provision in early learning and childcare, there is minimal flexibility in the management of the service so that 'inputs' currently drive the system more than outputs. It should also be noted that there are new burdens on councils in relation to childcare provision and early learning, school meals, additional commitments to modern languages and Gaelic as well as increasing expectations and demands e.g. Additional Support for Learning Act.

Whilst it is not anticipated that there will be an immediate impact on attainment attributable to budget reductions, the level of support for pupils in schools e.g. support assistants, breakfast clubs and study support; and also more widely e.g. auxiliaries, after-school care, sports, culture and leisure clubs, may well be reduced as a discretionary but highly valued part of the wider education provision: many of these discretionary activities have already been reduced. Some councils will implement the timetabling efficiencies already achieved in most areas; some will also review their vocational options, course offerings and links with colleges. Reductions in devolved school budgets often mean less per capita spending on pupils' materials and classroom resources but also fewer course choices. None of these decisions is taken lightly nor are they desirable but there are no easy reductions that can be made in most council education services - these have already been implemented. Councils are likely to raise charges where feasible.

The removal of management, development, quality improvement and support posts from central staffing in all authorities has reduced schools' capacity to respond to curriculum development and multi-agency working, as well as authorities' capacity to respond to demands from national agencies and to support development.

More widely, it should also be noted that local council budgets are more interdependent than they have ever been – reductions to children's services budgets, to leisure, outdoor or sports or community learning, even to school transport or cleaning have a very direct impact on the local economy and on local families, and this has implications for children.

**•How should schools, local authorities and the Scottish Government be preparing to deal with these spending pressures?**

At a practical level, councils should be planning budgets over the longer term (3 to 5 years), and indeed in many, the reductions for 2015-16 are well known, understood and advanced, pending confirmed, detailed budget decisions.

Some savings can be made through collaborative approaches, avoiding duplication and achieving economies of scale – across schools and through consortia; across education and partner services; across services; across authorities and regionally; and nationally or functionally across agencies e.g. quality improvement activities.

Using the principle of subsidiarity, some functions are best delivered locally, some on a more regional basis (i.e. council level or across some councils in partnership), and some nationally. A rationalisation using this approach might suggest a more shared, regional or cross authority basis (for psychological services for example), and perhaps even a national approach to systems currently delivered locally. More strategically, ADES believes that this is a good time to review the whole learner journey from birth to 18 and into further and higher education to ensure coherence, continuity, efficiency, effectiveness and equity, as well as transparency in the educational ‘offer’ in Scotland. Since the current approach to budget reductions is not desirable nor sustainable, ADES has developed a range of ideas that suggest system-wide change provides a more sustainable approach: this can only be achieved through national discussion and agreement as opposed to each local authority finding its own solutions.

At a local level, councils will continue to work closely with pupils, parents and service users in structured and planned ways (as opposed to one off consultations) to ensure that the principles adopted within the independent commission report on ‘Strengthening Local Democracy’ are realised, leading to good decision-making and public confidence whilst minimising any negative impact of budget reductions.

**•Will the allocation to be provided via the 2015-16 Draft Budget be sufficient to enable local authorities to provide a quality education; meet all their statutory obligations in relation to schools; and deliver the Scottish Government’s national educational priorities?**

As priority is given to front-line services and teacher staffing, and with the gearing effect described above (whereby savings and reductions are directed principally to a smaller part of the overall provision), it is likely that areas like curriculum and staff development; quality assurance; management; clerical and administrative support for the services, will be reduced. Many of these areas have a direct bearing on the statutory duties of education authorities -

- to provide an ‘adequate and efficient’ education service [Education (Scotland) Act 1980]; and
- to ‘secure improvement in the quality of school education’ [Standards in Scotland’s Schools etc. Act 2000].

Whilst councils will continue to provide a ‘quality education’ addressing national priorities, their capacity to target resources beyond core provision including more preventative spend and to maintain activities and projects that contribute to supporting those young people and families who need it, will be reduced.

•The Scottish Government’s national performance framework (NPF) “provides a strategic direction for policy making in the public sector, and provides a clear direction to move to outcomes-based policy making”. How has the NPF helped the Scottish Government and education authorities move towards ‘outcomes-based policy making’ in relation to schools?

The more outcomes-based approach is very much welcomed and supported by ADES. However the focus on teacher numbers, along with recent fundamental changes in the qualifications system, have been distractions to some extent, and ADES believes strongly that there is room for a much more strategic and effective outcomes framework for Scottish education and children’s services whereby we can truly say that we measure what we value using outcome measures to target improvement particularly the attainment and achievement of the least advantaged young people in Scotland, whilst avoiding the adverse effects of such measures on objectives and on the organisation of the system e.g. course options in secondary schools. There is also scope for better use of benchmarking within the education system and with other systems and nations.

•How do the Scottish Government and local authorities ensure that funding for schools is spent in a way that best delivers value for money?

Councils are statutorily bound to deliver value for money and have a wide range of challenge, monitoring, inspection and scrutiny mechanisms to meet their obligations. National organisations also add assurance of value for money e.g. Audit Scotland.

However, councils find it increasingly difficult to achieve best value in relation to school capacity given the difficulties of school reorganisation.

•How are pupils, parents, teachers, and communities able to contribute to discussions on

- the allocations that should be set out in the draft budget;
- how these allocations should be spent on schools?

Councils use a variety of approaches to ensure consultation and involvement of the public and service users in budget decisions. Education services have area based forums for parents as well as supporting school level parental organisations and meetings including parent councils. Many schools also engage pupils through school councils. Councils consult closely with trade unions on budget issues.

However, now that all of the efficiency or ‘easy’ reductions have been taken, the reality is that draft budgets are now kept largely confidential owing to the real sensitivities involved (political, workforce related, community related etc). This has the effect of curtailing pre-budget discussions and consultations with parents and teachers and communities.

Parental and public expectations are very high and often reductions in the ‘non-core’ aspects of the service mean a direct impact on, for example, the numbers and level of pupil support. This means that consultation can involve conveying information about reductions in an overall context of the whole budget.

•How will the draft budget advance the preventative spending agenda in relation to school spending?

ADES specially welcomes the additional budget commitments from central government to –

- Improve health outcomes;
- Increase availability of affordable and social housing;
- Reduce child poverty and support kinship care;
- Increase funding for capital projects and in particular school buildings;
- Extend the entitlement to pre-school provision;
- Extend the opportunity for free school meals for young children;
- Support for developing Scotland’s young workforce;

The increases in budget for these commitments must be fully and transparently reflected in budgets at local level, and carefully managed in the context of the ‘pressures on education spending’ and of the impact from the reductions referred to above.

Effecting major shifts in spending to prevent or avoid the challenges currently faced by many young people and their families, at a time of reducing resources and when continued support for them is needed, is a very difficult agenda for all agencies trying to protect budgets to maintain current levels of service.

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